



UNITED STATES DEPARTMENT OF COMMERCE
Economic Development Administration
The Curtis Center
601 Walnut Street
Suite 140S
Philadelphia, PA 19106-3323

August 8, 2012

In reply refer to:
EDA Control No. NY0153

Mayor Shayne Gallo
City of Kingston
420 Broadway
Kingston, NY 12401

Dear Mayor Gallo:

The U.S. Economic Development Administration (EDA) is pleased to inform the Delaware County Industrial Development Agency that your application for the Washington Avenue Tunnel Sinkhole has been selected through EDA's competitive application review process for further consideration for funding. Please note that this notification of further consideration is intended to inform you of EDA's competitive preliminary selection of your project for this funding cycle, but does not guarantee final approval or legally bind EDA to make an award. Subject to availability of funds, the proposed project, estimated to cost of \$1,400,000 will be considered for \$1,120,000 in EDA funding under the Economic Adjustment Assistance Program FY 2012 Disaster Relief Opportunity pursuant to the Consolidated and Further Continuing Appropriations Act, P.L. # 112-55, 125 Stat. 552 (2011) – availability of funds under section 703 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3233) (PWEDA).

If you would like EDA to further consider your application, you must provide:

1. Acknowledgement. Within 7 business days of the date of this letter, notify EDA via email or letter that you, the applicant(s) agree to provide EDA the information requested by the deadline stated in item 2 of this letter and acknowledge and accept the terms and conditions of EDA's further consideration as stated in item 2.
2. Additional Information. Provide EDA the following information by August 23, 2012:
 - An Engineering Report (M.3 of the application), which is necessary to document need/feasibility and validate project cost. To ensure you provide sufficient engineering information, we attached the template that you should use as a guide to complete this vital information;
 - Revise A.6, Schedule to reflect the most up to date milestones (dates included in the application have already passed).

- Status of authorization to finance (bond) - Kingston City Council was slated to take action in July to authorize bonding for this project, was this accomplished?
- Revise the SF-424C as the budget to include "Inspection Fees." There is a lump sum of \$250,000 for A/E Fees, however, this would be an ineligible item if a contract has been award for this activity;
- Uniformity in the signed application forms from the authorized representative (two mayors signatures were provided, one on the SF-424 and another on Construction Assurances); and,
- A letter committing the local share contribution to the project.

The information requested above will supplement your application and enable EDA to proceed with processing your application. Failure to meet this deadline, or the submission of incorrect or incomplete information, will jeopardize approval of your application. If you cannot meet this deadline, please advise Harold J. Marshall as soon as possible.

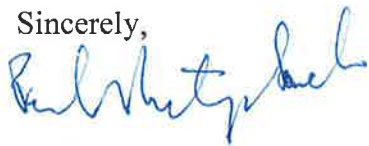
Upon receipt, EDA will assess the information provided. EDA's assessment of this information may result in a determination that:

1. No additional information is necessary;
2. Additional information is required, because the submission is incomplete, inaccurate, or otherwise unacceptable to EDA, and the applicant(s) must revise the submission before EDA will consider processing the application further; or
3. EDA will discontinue considering your application for funding, because the information submitted does not present a project that complies with applicable law or EDA's regulations or policies.

Your organization must comply with EDA's regulations (see 13 C.F.R. chapter III http://www.eda.gov/PDFEDA_regulations_012710.pdf), as well as the FY 2012 Disaster Relief Federal Funding Opportunity announcement for EDA's Economic Adjustment Assistance Program, which was published March 28, 2012 (see http://www.eda.gov/pdf/FY2012_Disaster_Relief_Opportunity_FFO_FINAL.pdf). **Final approval of an award is conditioned upon EDA's assessment of the additional information requested, project feasibility, funding priorities, and the availability of funds for obligation.**

EDA's mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Please do not hesitate to contact Harold J. Marshall, (215)316-2688, harold.j.marshall.ii@eda.gov, if you have questions regarding the requested information or status of your application.

Sincerely,



Willie C, Taylor

Regional Director,

Philadelphia Regional Office



cc: Harold J. Marshall, EDR

Preliminary Engineering Report Requirements

Section M.3., Engineering Report, of Form ED-900, has been expanded, updated and replaced by this new Preliminary Engineering Report (PER) format. This new PER outline discusses the general engineering information EDA requires in evaluating requests for financial assistance for construction projects. The following outline provides applicants with the detailed information for the components of a PER and is designed to assist applicants as they prepare their submission.

A PER must include the following at a minimum to meet EDAs requirements for an application:

1. Description of Project Components — Provide a general description of all project components involved in the project. Indicate if the project involves the construction of new facilities or the renovation or replacement of existing facilities. Describe each of the project components in terms of dimensions, quantities, capacities, square footage, etc.
2. A statement verifying that the project components described in the engineering report are consistent with the EDA investment project description that is provided in Section A.2 of Form ED-900. Note: Engineering reports that describe project components that are inconsistent with the EDA investment project description in Section A.2 of Form ED-900 will not be considered to be valid.
3. Sketches or schematics showing the general layout and location of the existing site conditions and of the project components as well as location of project beneficiary(s) identified in Section B.5 of Form ED-900 that provide economic justification for the project, if any. Rough dimensions and quantities for major project components should be shown and labeled on the drawings. Drawings should clearly identify the project components that are being proposed. Applicants are encouraged to clarify such drawings, for example through labeling, color-coding, and any other methods.
4. A feasibility analysis for the constructability of the project, including a review of the existing conditions and noting particular features, alignments, and events affecting construction or project components.
5. The proposed method of construction. Indicate whether construction procurement shall be through competitive bid or other method. Indicate if any portion of the project is to be done by design/build, construction management at risk, by the applicant's own forces, or whether a third party construction manager will be used. If an alternate construction procurement method (other than traditional design/bid/build with sealed competitive bid process) is proposed, a construction services procurement plan must be provided to EDA for approval in accordance with EDA's regulation at 13 CFR 305.6(a).

6. The number of construction contracts anticipated. If multiple contracts are proposed, provide a description of the project components included in each contract. If separate contracts are anticipated for demolition or site work, the budget information cost classification should reflect the two estimated costs for these components. If project phasing is proposed, a project phasing request must be provided to EDA for approval per EDA's regulation at 13 CFR 305.9(a).
7. A current detailed construction cost estimate for each of the project components, showing quantities, unit prices, and total costs. Provide a basis for the determination of construction contingencies.
8. If the budget includes costs for real property acquisition, the applicant should include a current fair market value appraisal completed by a certified appraiser for the property to be purchased.
9. A list of all permits required for the proposed project and their current status. Identify all local, state, and federal permits required; include the timeline to obtain the permits and discuss how the permitting relates to the overall project schedule. If the project crosses a railroad right-of-way or is within a railroad right-of-way, provide an explanation of any permitting or approvals that may be required from the railroad or other authority and the timeframe for obtaining these permits or approvals.
10. An estimated project schedule, including number of months for each of the following: (i) design period, (ii) period of time to obtain required permits; (iii) period of time to obtain any required easements or rights-of-way; (iv) solicitation of bids and awarding of contracts, and (v) construction period.